

## **REMARKS**

Claims 1-18 are pending in this Application. The Office Action rejected Claims 1-18 under 35 U.S.C. § 102(e). Applicants have amended Claims 1, 10, 14, and 16. Applicants respectfully request reconsideration of pending Claims 1-18 in light of the amendments and following remarks.

### **Rejection of Claims 1-18 under 35 U.S.C. § 102(e)**

The Office Action rejected Claims 1-18 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,119, 097 to Ibarra ("Ibarra"). Applicants have amended Claims 1, 10, 14, and 16 to clarify that the selection or risk element or subrisk element, which triggers the retrieval of corresponding control procedures, is from a list of such elements which is displayed to a user of the computer system. Furthermore, Applicants amended Claims 1, 10, 14, and 16 to clarify that the system and method include an interactive session whereby user selections trigger subsequent computer actions and inquiries.

As an initial matter, Applicants respectfully submit that Ibarra is not intended to determine compliance with business policies associated with risks to the "Business." Claims 1, 10, 14 and 16 require receiving a selection of a business risk element. The specification is clear in providing that the risk element list presented to the user includes item categories which contribute to the occurrence of an associated business related risk. pp. 6-7. However, in Ibarra, each set of standards is tailored to an individual based on job appraisal standards that are specific to the individual: "Bottom line goals for employee," Col. 2, l. 57, or "What the employee should be accomplishing" Col. 2, l. 59. Moreover, the standards are not set by the business as risk factors but are negotiated: "Standards must therefore be negotiated periodically." Col. 5, ll. 35-36. Hence, the standards are created for specific employees, not for the overall business, as are the risk elements recited by Claims 1, 10, 14 and 16. Therefore, Ibarra does not disclose selection of business risk elements but rather job performance indicators which are specific to each employee, not the business. Hence, Claims 1, 10, 14, and 16 are allowable over Ibarra for at least this reason alone.

To anticipate a claim, the reference must teach every element of the claim. As provided by MPEP § 2131, "The identical invention must be shown in as complete detail

as is contained in the ... claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). Furthermore, the elements must be arranged as required by the claim, without requiring identity of terminology. *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990). Claims 1, 10, and 14 recite a series of steps in methods for determining compliance with organizational business policies. The recited steps of Claims 1, 10, and 14 are performed by a computer system as part of a single session, or process. Claim 16 discloses a system with several elements operating to perform a specific task which provides several recited results as part of a single user session. Ibarra does not disclose such processes or system with such definite steps in a single session so as to be arranged as required by the pending claims. Rather, Ibarra discloses two separate interactions with respect to employee worksheets (Col. 2, l. 52-Col. 3, l. 4) and an interaction with respect to performance appraisal summary (Col. 9, ll. 4-24). The employee worksheet interactions refer to objective employee evaluation standards while the performance appraisal summary refers to subjective criteria. Col. 3, ll. 8-10, Col. 8, ll. 15-17. The Office Action rejected Claims 1, 14, and 16, by combining the two interactions with respect to the employee standards worksheet with the averaging discussed with reference to the performance appraisal summary. The Office Action rejected Claim 10 based on combining the interaction with respect to the employee worksheet with that relating to the performance appraisal summary.

With respect to the rejection of Claims 1, 14, and 16, the Office Action impermissibly characterized two distinct processes of Ibarra as a single process to form a basis for such rejection. see, MPEP § 2131. Specifically, despite the two processes being distinct interactions, the Office Action employed steps from both processes as a basis for rejecting the single process of Claims 1 and 14 and the system of Claim 16, absent a showing of, a suggestion to combine, or any other indication that Ibarra would be motivated to employ steps from these processes in such manner. Moreover, combining the separate interactions of Ibarra into a single process would render Ibarra inoperable for its intended purpose. If a proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984). Specifically, Ibarra is intended to allow an

employer to first set tasks and standards for each employee based on job requirements. Col. 2, ll. 42-47. Next, Ibarra allows the employer, in a separate session, to meet with the employee and enter performance indicators for the various tasks, as provided by the evaluation sheet. Col. 2, l. 66 – Col. 3, l. 7. This second session is intended to take place separately from the first session and at a higher frequency, i.e., "monthly." By combining the two processes, Ibarra would lose the ability to enter criteria for employees and select tasks separately from the periodic data entry session. Furthermore, Ibarra provides efficiencies in allowing the employer to copy and entire evaluation sheet between employees so as to expedite the form creation process, thus allowing the employer to expeditiously generate the evaluation sheets. Col. 10, ll. 21-25. If the two processes are combined, where Ibarra would require selection of tasks followed by entry of values, the employer would take much longer to evaluate each employee and further would need to engage in the creation process each time the employee is evaluated, instead of just entering data in an existing evaluation sheet for the employee. Therefore, there is no suggestion to combine the two interactions of Ibarra with respect to employee worksheets. Accordingly, Claims 1, 14, and 16 are allowable over Ibarra for at least this reason alone.

Even if one was motivated to combine the separate processes, Ibarra would still not disclose all elements of Claims 1, 10, 14, and 16. With respect to Claims 1, 14, and 16, Ibarra does not disclose the selection, or identification, of a business risk element. Claim 1 recites "a computer receiving a user selection of a business risk element," Claim 14 recites that "the computer identifying a set of business risk elements," and Claim 16 recites "the computer receiving a first signal identifying a user selection of a set of business risk elements." On the other hand, Ibarra only discloses that standards are either entered from scratch or copied from another set: "the manager can choose to create standards or activities from scratch, or may choose to set-up standards or activities for an employee by cloning the standards and/or activities from an existing employee." Col. 10, ll. 10-14. Therefore, Ibarra does not disclose a selection, as recited by Claims 1, 14, and 16, whereby items are listed so as to allow the user to select items from a predetermined list of items. What Ibarra discloses is not a selection from a defined set of items but rather unbounded entry of text relating to a desired job task. Col. 10, ll. 10-14. Hence,

Ibarra does not disclose the selection of business risk element step of Claims 1 and 14 or the processor configured to provide such selection of Claim 16. Thus, Claims 1, 14, and 16 are allowable over Ibarra for at least this reason alone.

With respect to Claim 10, Ibarra does not disclose selection of a category when discussing entry of employee evaluations in the performance appraisal summary. Claim 10 recites "a computer receiving a user selection of a business risk element." The Office Action stated that Ibarra discloses selection of categories during the performance evaluation summary entry process. However, despite using the term "selected," Ibarra does not disclose that the user of the computer system selects any category. Rather, careful reading of Ibarra reveals that "selected" is used to refer to the default categories and items selected by a software designer that customized the system of Ibarra for the particular organization. Specifically, Ibarra states that the performance appraisal summary is automatically generated by the system for the manager to fill in. Col. 8, ll. 22-24. Furthermore, Ibarra provides that "two blank copies of the summary will be printed" to allow the manager and employee to write down their perceptions of the employee performance. Col. 8, ll. 26-31. Hence, there can be no selection of categories when entering data in the performance appraisal summary since the blank copies, which indicate categories and items so as to allow entry of information, are already printed prior to such interaction. In other words, if the system allowed such selection, Ibarra's discussion regarding printing evaluation sheets and automatic generation of appraisal summary would be senseless. Accordingly, Ibarra does not disclose the selection of a business risk element as recited by Claim 10. Therefore, Claim 10 is allowable over Ibarra for at least this reason alone.

Ibarra does not disclose an interaction step whereby a computer responds to the selection of a risk element by retrieving data items from a database, namely "control procedures," as recited by Claims 1, 14, and 16. The Office Action stated that the periodic tasks of Ibarra are control procedures. However, these periodic tasks can only be entered by the activities worksheet and are not related to Ibarra's standards selection or entry of items in the performance summary. Col. 7 ll. 23-67. The activities worksheet of Ibarra is accessed separately by the user (Col. 7, ll. 23-25), as opposed to the method recited in Claims 1, 14, and 16 where control procedures are retrieved by the computer in

response to selection of risk element. Also, in Ibarra there is no association of a first data item corresponding to a risk element and a second data item corresponding to a control procedure, as is accomplished by the retrieval and storing of Claim 1. Moreover, the Office Action pointed to the items in the performance appraisal summary as the control procedures associated with the selected business risk in Col. 8, ll. 50-67. As discussed above, these items are not associated with the standards worksheet referenced by the Office Action with respect to Claims 1, 14, and 16, but rather to the performance appraisal summary used by the Office Action in addressing Claim 10. Therefore, Claims 1, 14, and 16 are allowable over Ibarra for at least this reason alone.

With respect to Claims 1, 10, 14, and 16. The Office Action stated that Ibarra must be assigning a weight to each score since it computes an average as discussed in Col. 9, ll. 9-11. First, Applicants note that the Office Action again is employing features from different interactions of Ibarra. Specifically, the average is only discussed with respect to the performance appraisal summary, while the Office Action employs it in conjunction with discussion relating to the standards worksheet which was used in addressing Claims 1, 14, and 16. Second, as provided by MPEP § 2112, the fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993). Furthermore, the MPEP provides that "In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art." *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990). Applicants respectfully submit that Ibarra does not inherently disclose assigning a weight to each item by reference to data stored in the database. Even though Ibarra states that all categories are equally weighed, it does not necessarily store a weight. Ibarra's scoring is called an "average," which does not require any weights. To state that Ibarra discloses weights is the same as submitting that a function provides a scaling factor when it does nothing with the data only because doing nothing is the same as scaling by a factor of one. It is known in the art that when computing an average, there is no weight, each number is added without a coefficient, so as to provide an average. This is the distinction between merely

an "average" and a "weighted average" which is generally defined as an average that takes into account the proportional relevance of each component, rather than treating each component equally. There is clearly no suggestion of individually assigned and stored weights in Ibarra by using the distinct term "average." Col. 9, l. 10. The Merriam Webster dictionary defines "weight" as "a numerical coefficient assigned to an item to express its relative importance in a frequency distribution." Ibarra does not disclose any coefficients. Applicants also note that the claims recite retrieving a weight from a database. Ibarra does not disclose any such storing or retrieving of weights. Therefore, Claims 1, 10, 14, and 16 are allowable over Ibarra for at least this reason alone.

Claims 1, 14, and 16 recite that the compliance rating is a subjective rating selected by the user. Ibarra employs objective criteria to evaluate compliance with the activities in the worksheet. Figure 10 and Col. 10, ll. 3-25. The Office Action cited to Figure 6 and Column 2 lines 50-65 in stating that Ibarra discloses selection of ratings from a rigid set of ratings. However, as discussed above, those subjective ratings are part of Ibarra's performance appraisal summary which does not include any item selection but rather only score entry for the form items. Specifically, as discussed above, the user selection of business risk step cited by the office Action noted Col. 4, ll. 15-45, Col. 6, ll. 1-5 and 15-25, and Col. 10, ll. 3-25, all of which relate to evaluation based on employee standards not the performance appraisal summary. Therefore, with respect to the employee standards interaction, Ibarra does not disclose selection of subjective rating as recited by Claims 1, 14, and 16. Accordingly, Claims 1, 10, 14, and 16 are allowable over Ibarra for this reason alone.

Claims 2-9 are dependent (directly or indirectly) on claim 1; claims 11-13 are dependent (directly or indirectly) on claim 10; claim 15 is dependent from claim 14; and claims 17-18 are dependent on claim 16, and are believed patentable, among other reasons, by virtue of such dependency.

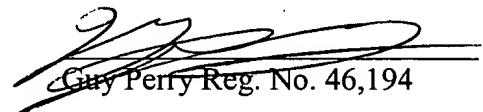
**SUMMARY**

Applicants have amended the claims to overcome the 35 U.S.C. § 102(e) rejection. In view of the forgoing supporting remarks and amendments, Applicants respectfully request allowance of pending claims 1-18.

If the Examiner wishes to direct any questions concerning this application to the undersigned Applicants' representative, please call the number indicated below.

Dated: June 3, 2005

Respectfully submitted,



Guy Perry Reg. No. 46,194

Attorneys for Applicants  
(212) 735-3000  
Skadden, Arps, Slate, Meagher & Flom LLP  
Four Times Square  
New York, NY 10036